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Technology Intelligence – An Overview

Business intelligence and competitive intelligence

The terms “business intelligence” (BI) and “competitive intelligence” (CI) are often used interchangeably. Both BI and CI refer to “actionable information about the external business environment that could affect a company’s competitive position” (Ashton & Klavans 1997: 9). A similar overlap between Competitor and Competitive Intelligence, and between Business Intelligence and Environmental Scanning, is observed by Choo (1998: 81). He argues that since competitive intelligence is a primary objective of activities within business intelligence, those two terms can be used more or less interchangeably. Figure 4.1 attempts to depict the relationship between the different terms.

Competitor intelligence is information-gathering about the actual and future activities of competitors, whereas competitive intelligence’s focus is broader and embraces Porter’s (1980) five competitive forces model. Business intelligence is “the activity of monitoring the environment external to the firm for information that is relevant for the decision-making process in the company” (Gilad & Gilad 1988: 14). Thus, BI is concerned with exploring possible views of future competitive environments. This is almost the same scope as environmental scanning, which is “the acquisition and use of information about events, trends, and relationships in an organization’s external environment, the knowledge of which would assist management in planning the organization’s future course of action” (Auster & Choo 1994: 607). According to Ansoff (1980), issue management tries to identify future trends in time to prevent a crisis. “A strategic issue management system is a systematic procedure for early identification and quick response to important trends and events both inside and outside an
Figure 4.1  Forms of organizational external information-gathering